

TESTIMONY OF EDDIE F. BROWN
BEFORE THE
SENATE COMMITTEE OF INDIAN AFFAIRS
UNITED STATES SENATE
ON
THE PRESIDENT'S BUDGET REQUEST FOR FISCAL YEAR 2001

February 23, 2000

Mr. Chairman and members of the Committee, I appreciate the invitation to present testimony on the President's budget request for fiscal year 2001. As stated, my name is Eddie Brown and I am currently Associate Dean and Director of the Kathryn M. Buder Center for American Indian Studies at the George Warren Brown School of Social Work, Washington University, St. Louis, Missouri.

My comments this morning are based on my experiences as Assistant Secretary of Indian Affairs, State Director of the Arizona Department of Economic Security, Executive Director of the Tohono O'odham Nation Department of Human Services, as well as my current research efforts regarding the effects of welfare reform legislation on American Indian families residing on reservations. During the past three years I have participated in numerous national discussions on welfare reform, provided technical assistance to various tribal communities, and have personally interviewed numerous tribal and state administrators and TANF (Temporary Assistance to Needy Families) recipients as to their experiences regarding welfare support services, education and training, employment opportunities and economic development.

Shortly after the passage of P.L. 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, there was discussion in Indian Country as to whether this was a welfare program initiative or an employment program initiative. After three years of implementation we have come to realize that P.L. 104-193, commonly referred to as "welfare reform" encompasses much more than just welfare and employment programs.

While unemployment rates have fallen to their lowest levels across the country, poverty and unemployment rates in American Indian and Alaska Native communities remain high. This is a product of several factors: geographic isolation of reservations (Sandefur & Scott, 1983); limited economic opportunities on reservations (Vinje, 1996); low levels of human capital development (in the form of health, mental health, education and work experience); lack of adequate support programs; and reductions in overall federal Indian related budgets (Walke, 1998). As a result, American Indians residing on reservations and wanting to move from welfare to work have been described as "hard to place" due to a shortage of employment opportunities, lack of transportation, low levels of education, little to no job experience, and multiple family problems. Early experiences of state and tribal TANF programs designed to help tribal recipients move from welfare to work, suggest that if welfare reform is to be successfully implemented, given the aforementioned conditions, a much larger pool of resources and economic development programs will be needed at the tribal level.

This is supported by the fact that the change in estimated AFDC/TANF cases between 1992 and 1998 indicates that reservations have experienced a slower rate of decline in the number of households and individuals receiving public assistance. For example, Arizona experienced a 36.8% reduction in statewide cases compared to a 21.4%

reduction in Indian cases. Montana had a reduction of 33.3% compared to a 19% reduction in Indian cases. South Dakota experienced a 46.7% reduction in cases compared to only a 22% decline in Indian cases (U. S. Department of Health and Human Services, 1998). While not all states experienced such differences in the reduction of welfare caseloads, tribal and state administrators expect difference in the rates of decline to increase due to the 50% unemployment rule and the severe social and economic conditions existing on many reservations. For instance, Montana reported that when TANF was first implemented in that state, American Indians represented 22% of the welfare caseload; recent estimates indicate that they now represent of over 44% of Montana's TANF caseload (Meredith, 1999, September).

These percentages are not surprising to American Indian leaders and tribal program administrators who have long been aware of the shortfalls in federal funding for Indian-related programs. Over the past three decades, tribal governments have pushed for additional resources for the development of human capital (in the form of education and training, health and mental health services and family support programs) and to increase opportunities for economic development through the strengthening of their physical infrastructure (improved roads and transit systems, construction of facilities, development of information technology, expanded empowerment zones, tax credits and loan guarantees).

The sad truth is, however, that while tribal governments, under the guise of Indian Self-Determination and Self-Governance have been diligently working to achieve the goals of self-sufficiency and true self-determination, federal funding for overall Indian related programs has actually declined over the past 25 years. The Congressional Research Service in a report titled, "Indian-Related Federal Spending Trends, FY1975-1999," analyzed Indian budget items across of the Bureau of Indian Affairs, Indian Health Service, Administration for Native Americans, Office of Indian Education in the Department of Education, Indian Housing Development program in HUD and the Indian and Native American Employment and Training Program in the Department of Labor (all of which account for 70% of total estimated Indian-related spending government-wide). The report confirmed that, when corrected for inflation, funding for all major Indian programs except IHS had declined during the period of FY 1975-1999. This was not the case, however, for overall federal non-defense spending, which *increased* in both current and constant dollars during the same period. The report concluded with the following statement, "...a comparison in constant dollars of overall Indian spending and its major components, on the one hand, with comparable budget items in the full federal budget on the other, indicates that most Indian-program spending areas have lagged behind their equivalent federal spending areas. This is true even for IHS" (Walke, 1998, p. 10).

The President's budget request for fiscal year 2001, while continuing the uneven upward trend in overall Indian-related funding begun in 1991, falls far short in meeting the social, educational and economic needs of Indian Country. The budget request can be best described as a continued effort to make up for the decline in past appropriations.

As we enter the 21st century, American Indian communities, like many of their rural counterparts, are faced with high rates of poverty, unemployment, and the lack economic development opportunities. However, these problems are further magnified on Indian reservations due to poor road conditions; high rates of violent crimes; lack of safe water and waste disposal facilities; high disparities in health care, increased rates of school

dropout, compounded by poor educational facilities and high teacher turn-over; lack of access to venture capital from local lending institutions; state reluctance to provide various social, economic and educational services on reservation; and local discrimination by surrounding communities.

If tribal governments are to be successful in the development of healthy economies, lowering unemployment rates, and meeting the social and educational needs of their tribal members, the federal government must be prepared to work directly with tribal governments to provide:

Increased federal funding to tribal governments from multiple federal agencies - American Indian and Alaska Native communities face enormous challenges in fostering sustainable development to meet the needs of their community members. The BIA and HIS, however, are no longer expected to be the sole providers for funding and services to tribal communities. Under presidential directive, all federal agencies are now directed to develop government-to-government relations with tribal communities and to seek out ways in which their resources and services may be of benefit to tribal members. This *potential* increase in resources would make it possible for tribes to develop much broader social and economic investments to counter limited economic and employment opportunities, weak educational institutions, poor physical infrastructure, and lack of human services. Early welfare reform experiences indicate that if tribal communities are not able to acquire the necessary resources to address these social and economic needs, they will be unsuccessful in their efforts to achieve the goals of self-sufficiency and true self-determination and attempts to assist tribal families to move from welfare to work will fail.

Coordination and consolidation in federal funding – An early positive effect of welfare reform legislation has been the strengthening of coordination, communication and collaboration at all levels – among tribal service providers, among tribes, between tribes and states, and between tribes and the Department of Health and Human Services (Pandey et. al., 1999). At the tribal level, for example, coordination, collaboration, and communication have increased between programs responsible for social services, employment and training, childcare, transportation, health care, economic development, and education. This also needs to happen among the federal agencies in Washington D.C.

As tribal governments have labored to accommodate the many funding streams from the various federal agencies, the result has been the creation of a complex web of bureaucratic regulations and reporting requirements at the tribal level. For instance, funding for employment and training programs comes from a variety of departments: the Job Training Partnership Act and Welfare-to-Work services funded by the Department of Labor; the Native Employment Works Opportunity and Basic Skills initiative funded by the Department of Health and Human Services; and the Tribal Work Experience and Employment Assistance programs funded by the Department of Interior. The welfare reform initiative, in bringing the various tribal programs to the table, has acted as a catalyst for tribal

governments to find ways to reduce the paperwork and other administrative burdens placed upon them.

P.L. 102-477, The Employment, Training, and Related Services Demonstration Act, has proven to be a successful alternative for those tribes wishing to develop one plan to obtain funds from multiple federal agencies for the provision of a range of social services and employment and training programs. Simply put, tribes may combine the grants they receive from multiple agencies, across three federal departments into one funding stream. Tribes write one financial report reflecting all agency funds received and report to one federal agency. Additional legislation such as P.L. 102-477 needs to be passed to require the various federal departments to communicate with each other, coordinate their services, and where possible, consolidate their funding to tribal governments.

Greater tribal control and flexibility in the expenditure of federal funds - In response to the urgent and dire needs of tribal communities, many well-intentioned government officials and program administrators have accepted the approach that only outside agencies and professional experts have the understanding necessary to bring about the needed social and economic changes in tribal communities. Unfortunately, many federal and state agencies have been designed to focus predominately on the nature and extent of our troubled communities and the value of welfare services as the sole answer to our problems.

In recent years, a new, comprehensive approach to the development of troubled, low-income communities has emerged. This approach is built on the historic evidence that significant community development takes place only when local communities are committed to investing themselves and their resources in the effort (Kretzman & McKnight, 1993). This approach does not imply that tribal communities should expect fewer resources from the federal government to carry out their federal trust responsibility. Rather, it suggests that additional resources can be more effectively used when tribal governments are fully supported and mobilized to address the social and economic needs of their communities.

The best example of the effectiveness of this approach is the 1975 Indian Self-Determination Act that gave American Indians and Alaska Natives the freedom to develop and implement their own tribal programs. The results have been greater tribal self-reliance; increased investment of tribal resources, better managed tribal institutions, and stronger tribal economies.

The tribal community is not the problem; it is the solution. This approach requires a shift in thinking from one of seeing the federal government's primary mission of controlling services to tribal communities, to one of investing with tribal governments in their communities to get long-term returns. Federal actions that support this approach are the continued support for policies of self-determination and self-governance and increases into tribal priority allocations.

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